

Message Text

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53

ACTION COME-00

INFO OCT-01 EA-11 ADP-00 EB-11 L-03 CIAE-00 INR-10 NSAE-00

RSC-01 INT-08 TRSE-00 AID-20 OPIC-12 OMB-01 RSR-01

/079 W

----- 103941

R 040952 Z APR 73

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 6329

INFO AMEMBASSY KUALA LUMPUR

AMCONSUL SURABAYA

AMCONSUL MEDAN

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

UNCLAS JAKARTA 4026

E. O. 11652: N/A

TAGS: BEXP EFIN, EAID, ENRG. JA, ID

SUBJ: TRADE OPPORTUNITIES UNDER UNTIED JAPANESE OIL
LOAN

FOR COMMERCE

REF: A) STATE 112615 (NOTAL)

B) JAKARTA 2934

1. INDONESIAN PRESS MARCH 31 ANNOUNCED SIGNATURE MARCH 30
IN JAKARTA OF AGREEMENT WITH JAPAN ON 63 BILLION YEN CREDIT
(ABOUT US\$234 MILLION) FOR OIL EXPLORATION AND DEVELOPMENT
IN INDONESIA. UNDER RELATED UNDERSTANDING, INDONESIA WILL
SUPPLY JAPAN- INDONESIA OIL CORPORATION WITH 58 MILLION KILO-
LITERS OF LOW- SULPHUR CRUDE OIL OVER TEN YEAR PERIOD. CREDIT
IS UNTIED AND IS REPAYABLE WITHIN EIGHTEEN YEARS AFTER
EXPIRATION OF SEVEN- YEAR GRACE PERIOD, AT ANNUAL INTEREST
RATE OF THREE PERCENT. IT WILL BE USED BY PERTAMINA FOR
PURCHASING EQUIPMENT AND SERVICES TO DEVELOP INDONESIAN
OIL SECTOR, INCLUDING EXPLORATION, DEVELOPMENT AND RZOA
HABILITATION OF OIL SOURCES AND PROJECTS CONNECTED WITH
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OIL ACTIVITIES.

2. FIRST TRANCHE OF 23 BILLION YEN (ABOUT US\$ 87 MILLION)
WILL BE USED FY 73-74 FOR SIXTEEN OR MORE PROJECTS; 30 PERCENT CAN
BE LOCAL COST FINANCING. LIST OF PROJECTS, OBTAINED FROM
JAPANESE EMBASSY, FOLLOWS.

3. A. PROJECTS IN PERTAMINA'S UNIT I (NORTH SUMATRA)

(1) SECONDARY RECOVERY OF RANTAU FIELD

(2) DEVELOPMENT AND REHABILITATION OF PALUH
TAEQJIVGH

(3) DEVELOPMENT OF KUALA SIMPANG FIELD

(4) DEVELOPMENT OF DISKI FIELD

(5) EXPLORATION DRILLING IN NORTH SUMATRA AREA

(6) SEISMIC SURVEYS IN NORTH SUMATRA AREA

B. PROJECTS IN UNIT II (SOUTH SUMATRA)

(1) SECONDARY RECOVERY OF THE PRABUMULIH COMPLEX

(2) DEVELOPMENT OF THE EAST BENAKAT FIELD

(3) EXPLORATION DRILLING IN SOUTH SUMATRA AREA

(4) SEISMIC SURVEYS IN SOUTH SUMATRA AREA

C. PROJECTS IN UNIT III (JAVA)

(1) SECONDARY RECOVERY OF THE DJATIBARANG FIELD

(2) EXPLORATION DRILLING IN WEST JAVA AREA

(3) SEISMIC SURVEYS IN THE JAVA AREA

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D. PROJECTS IN UNIT IV (KALIMANTAN)

(1) SECONDARY RECOVERY OF TANDJUNG FIELD

(2) DEVELOPMENT OF SANGATA FIELD

(3) EXPLORATION DRILLING IN EAST KALIMANTAN AREA

E. OTHERS (TO BE DETERMINED).

4. ACCORDING JAPANESE EMBASSY, SEPARATE LOAN AGREEMENT WITH OECF IN JAPAN MUST BE SIGNED FOR EACH PROJECT. PERTAMINA WILL DRAW SPECIFICATIONS FOR TENDERS (SOMETIMES SEVERAL PER PROJECT). TENDERS WILL THEN BE ISSUED, PROBABLY BY PERTAMINA, THOUGH POSSIBLY BY MINISTRY OF MINING (THIS STILL UNDER DISCUSSION IFJGOI). TENDERING PROCEDURES WILL BE SIMILAR TO, BUT NOT IDENTICAL WITH, IBRD- APPROVED PROCEDURES. LIST OF ELIGIBLE PROCUREMENT COUNTRIES NOT YET FINALIZED BUT, ACCORDING JAPANESE EMBASSY, WILL CERTAINLY INCLUDE U. S.

5. JAPANESE EMBASSY SAYS SEVERAL LOAN AGREEMENTS WITH OECF ARE ON VERGE OF SIGNATURE, SO FIRST TENDERS CAN BE EXPECTED FAIRLY SOON. WE WILL FOLLOW CLOSELY AND REPORT IMMEDIATELY.

6. SUGGEST ANY PRELIMINARY INQUIRIES BE ADDRESSED TO MR. TRISULO, DIRECTOR EXPLORATION AND PRODUCTION, PERTAMINA, JL. PERWIRA 6, JAKARTA AND/ OR MR. WIJARSO, DIRECTOR OF OIL AND GAS, MINISTRY OF MINING, JL. MEDAN MERDEKA SELATAN 18, JAKARTA.

7. RESIDENT AMERICAN COMPANIES BEING INFORMED.
GALBRAITH

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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

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Disposition Approved on Date:
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TAGS: BEXP, EAID, EFIN, ENRG, ID, JA
To: COME
KUALA LUMPUR
MEDAN
SECSTATE WASHDC
SINGAPORE
SURABAYA
TOKYO

Type: TE

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